

Governor Warner's Proposed Amendments to the Adopted Budget for the 2002-2004 Biennium

April 8, 2002



Summary of Budget Amendments

Overview of Amendments

- Governor Warner came into office with five principal budget objectives:
 - Strengthen the state's funding commitment to education;
 - Maintain the safety net for Virginia's most vulnerable citizens;
 - Promote economic development, research, and technology in all areas of the state;
 - Enhance public safety and the Commonwealth's ability to respond to terrorism; and
 - Address the structural balance of Virginia's budget.
- The adopted budget successfully addressed a \$3.8 billion budgetary shortfall -- without a tax increase. It also made progress in addressing the Governor's five budget objectives by:
 - Restoring funds for school construction and providing funding for the JLARC public education recommendations;
 - Adding funding for indigent care, the Comprehensive Services Act, and children's health insurance;
 - Restoring funding for the Governor's Opportunity Fund;
 - Increasing funding for additional state troopers and anti-terrorism efforts; and
 - Sustaining efforts to eliminate one-time windfalls and easy fixes.
- To build upon the adopted budget, the Governor is proposing 83 amendments to the 2002-2004 budget. The amendments add \$30.6 million in spending from the general fund, focusing on education, research and technology, and public safety.
- A number of technical amendments are also included for clarification and accuracy.

1. Commitment to Education

Public Education

- Governor Warner's proposed amendments restore funding for:
 - Programs for at-risk students,
 - Two Best Practice Centers, and
 - The Jobs for Virginia Graduates program.
- Amendments also increase funding to:
 - Fully fund bonuses for teachers meeting National Board of Professional Teaching standards, and
 - Increase support for the Virginia Career Education Foundation.

At-Risk funding

- The Governor's amendment restores \$3.2 million in FY 2003 to fully support the At-Risk program. The funding provides increased support for school divisions with high concentrations of disadvantaged students.
- The funds can be used for local programs designed to increase the success of disadvantaged students in completing high school and provide opportunities to encourage further education and vocational training.

Best Practice Centers

- The Governor proposes to restore \$1.3 million for two Best Practice Centers, one in Southwest Virginia, and one in Southside Virginia.
- The centers provide technical assistance and support to schools on effective instructional practices, as well as professional development opportunities for teachers, principals, and central office administrators.
- Each center includes a director and specialists in curriculum and instruction and assessment and accreditation.

Teacher Certification Bonuses

- Teachers are eligible for a \$5,000 initial bonus for meeting the National Board of Professional Teaching standards and for bonuses of \$2,500 annually for continuing to meet the standards.
- The Governor recommends \$645,000, sufficient funding to support the anticipated growth in the number of teachers qualifying for these bonuses.
- In FY 2004, it is estimated that 198 teachers will qualify for the initial bonus and 275 teachers will qualify for the continuing bonus.

Virginia Career Education Foundation

- The Governor recommends an additional \$79,774 in FY 2003 to establish the Virginia Career Education Foundation.
- The foundation is a not-for-profit organization designed to promote career, technical, and vocational education in public schools.
- The foundation will use the state money to leverage funding from private sources and other major foundations.

Jobs for Virginia Graduates

- The amendment restores \$325,000 in FY 2003 to continue Jobs for Virginia Graduates.
- The program helps high school seniors stay in school, graduate, and successfully transition from school to work, college, or the military. Students in the program receive continued assistance one year after graduation.
- The program currently serves about 1,100 students each year.

Higher Education

- Governor Warner's amendments in the higher education area provide funding to:
 - Improve funding for student financial aid for Virginia's students, and
 - Address historical deficiencies at the state's historically black higher education institutions.

Student Financial Aid

- The adopted budget allows institutions of higher education to raise tuition for the first time in six years. Because increased tuitions may make it harder for some Virginia students and their families to afford higher education, the Governor proposes an additional \$2.0 million for student financial aid programs.
- The Governor's amendment will help ensure that Virginia's colleges and universities remain accessible and affordable for students.

Virginia State University (VSU) Maintenance Reserve Funding

- The amendment adds \$1.0 million of state support to address the deferred maintenance needs identified in the university's facilities maintenance backlog plan, such as roof replacements, window replacement, and routine maintenance on heating, ventilation, and air conditioning systems.
- The additional funding is necessary to meet obligations stated in the accord that was signed in June 2001 between the Commonwealth of Virginia and the United States Department of Education, Office for Civil Rights.

2. Enhancing Technology and Research

Funding for Commonwealth Technology Research Fund

- The Governor's amendment restores \$2.3 million in general fund support for grants awarded to Virginia's research universities under the Commonwealth Technology Research Fund (CTRF).
- The fund was created in 2000 to leverage federal and private investment in Virginia's research universities with the ultimate goal of increasing technological and economic development in Virginia.
- The fund has stimulated collaboration among Virginia's universities, spawned a focused effort in bioinformatics, achieved recognition for Virginia's commitment to research and technology, and leveraged millions of dollars in federal and industry funding for research.
- Two of the funded projects have been instrumental in addressing issues related to the September 11, 2001, terrorist attacks.
 - A University of Virginia research team has developed specialized lung-imaging techniques that are being used to diagnose and monitor recovery from inhalation lung injuries in New York firefighters.
 - On September 11, a James Madison University team set up the Indication and Alert Center (IAC) to provide a constant flow of cyber and physical terrorism information to the Department of Information Technology for further dissemination to agencies throughout the Commonwealth.

Funding of 1890 Land Grant State Match Funding for VSU

- The Governor's amendment adds \$600,000 to further enhance research and extension programs relating to aquaculture, agricultural diversification, and small farmer management benefiting Southside Virginia farmers.

Funding for the Virginia Commercial Space Flight Authority

- The Governor includes \$100,000 each year for the Virginia Commercial Space Flight Authority to provide a basic level of state support.
- The authority operates the Virginia Space Flight Center, which offers a "one stop shopping" place for low-cost, safe, reliable, user-friendly space launch

facilities and services for commercial, government, and scientific/academic users.

- Congress recently directed the National Aeronautics and Space Administration (NASA) to spend an additional \$10 million for infrastructure improvement and technology upgrades to ensure the Wallops Island flight facility remains a viable asset for NASA's use. Of this amount, NASA has agreed to spend \$2.0 million to build a new payload processing facility.

Funding for Department of Technology Planning

- The Governor's amendments restores funding for staff positions in the Department of Technology Planning to support the Secretary of Technology, and enable the department to maintain oversight of the Commonwealth's technology assets.

3. Maintaining Key Public Safety Services

The Governor recommends several amendments to enhance public safety:

Funding for Drug Courts

- The Governor's amendment provides nearly \$2.1 million in general fund support for Drug Courts.
- Drug Courts provide a treatment program that is an alternative to incarceration. Judges use this program for individuals convicted of crimes involving minor drug offenses.
- These funds support 12 local drug court programs.
- This amendment maintains the viability of this program, and allows time for localities to find other funding sources.

Funding the Pre- and Post- Incarceration Services (PAPIS)

- PAPIS provides transitional services to inmates prior to and after release from prison and jail. This enhances the inmates' ability to readjust to society.
- The Governor's amendment restores \$1.8 million for PAPIS, maintaining the viability of this program for the first year of the biennium.

Funding for Virginia Exile

- The amendment provides \$892,000 in general fund support in the first year to restore the majority of the funds for Virginia Exile.
- These programs help ensure that individuals using firearms when committing a violent crime receive more severe penalties.
- The program discourages criminals from carrying firearms, lowering the level of deadly violence associated with crimes.

Provide Additional Sheriffs' Deputies

- The Governor's amendment provides that provisional population estimates be used in allocating the number of deputy sheriffs for meeting the statutory ratio of one deputy for 1,500 people.
- The provisional population estimates are more current, so that 29 additional deputy positions can be distributed to localities.

4. Improving Compensation Benefits for State Employees

- The Governor recommends several changes to the proposed state employee bonus in FY 2003 that are designed to enhance the benefits.
- Overall, the enhancements can be accomplished with no additional costs to the Commonwealth.
 - Under the Governor's proposal, employees would elect before the end of this fiscal year either a 2.5 percent bonus, 10 additional days of paid leave, or a combination of bonus and compensatory leave.
 - State employees would receive the bonus on August 30 rather than on December 1.
 - Bonus payments and/or compensatory leave would be granted only to employees who perform at a satisfactory level or better.
 - Employees choosing additional leave will be able to use this leave between July 1, 2002 and June 30, 2003.
 - To minimize tax withholding, bonus payments will be made as part of the regular paycheck.
 - The Governor's amendment gives higher education institutions and independent agencies flexibility in awarding bonus payments.

5. Car Tax Audit and Compliance Program

- The adopted budget includes a separate certification program to ensure that only personal vehicles receive the car tax rebate.
- The Governor's amendment, developed in conjunction with local government officials, allows local governments to employ alternative ways to implement the car tax audit and compliance program. Localities could obtain certification in one of several ways, using existing local processes:
 - By requiring that an assessment notice be returned;
 - Through the normal process for acquiring local decals;
 - By getting certification when personal property taxes are paid, or
 - Through the vehicle registration process.
- The amendment ensures that local governments have the flexibility to avoid the additional paperwork burden that a separate certification program could impose on taxpayers and local Commissioners of the Revenue.
- Governor Warner also recommends that responsibility for the day-to-day administration for the Personal Property Tax Relief Act remain with the Department of Motor Vehicles instead of transferring to the Department of Taxation.

6. Capital Outlay Recommendations

New Projects

- Through the budget and several related bond bills, the General Assembly proposed about \$900 million in general obligation debt primarily for higher education, a separate \$119 million general obligation bond bill for parks and recreation and natural areas, a separate bond package for other state facilities, and bond projects within the budget for the current biennium. In all, the combined package totals about \$1.7 billion.

- The Governor has proposed that three projects be added to the capital outlay proposal included in these bills:
 - Expand the Robinson Technology Building project at Norfolk State University by \$8.9 million to renovate an existing facility to house smart classrooms that support electronic engineering, computer technology engineering and construction technology, which is needed to implement the new academic programs funded in the accord between the Commonwealth and the Office for Civil Rights.
 - Add \$1.0 million at Norfolk State University to support student and staff access to technology throughout the campus. The project is also a part of the June 2001 accord between the Commonwealth and Office for Civil Rights.
 - Add \$34.3 million for Phase I improvements at the seat of government, including the Capitol Square master plan, the Supreme Court Building, and the Old State Library Renovations. This project is needed to address life safety issues at the seat of government and to provide space for the General Assembly prior to renovating the State Capitol. [Remove \$5.0 million for Phase I renovations at Capitol Square. This project is mostly (60 percent) for planning, which is inappropriate for bond funding.]

Summary of Budget Amendments

Summary of Governor's Amendments to HB 30, As Adopted

				\$ Amendments (GF unless otherwise indicated)		
#	Item	Agency	Short title	FY 2003	FY 2004	Rationale/comments/explanation
1	Page 1	Revenue	Revenue available for appropriations	Language	Language	This amendment adds \$29,534,621 to general fund revenues available for appropriation and \$37,758,272 to nongeneral fund revenues available for appropriation.
2	33	General District Courts	Case processing and filing fees	Language	Language	This amendment changes the judicial fee increases included in the adopted budget to correctly interact with the provisions of Senate Bill 150, which made substantial changes in judicial fees. With this amendment, the fiscal impact of the budget language remains as it was in the adopted budget. Amendments 3 and 4 make related changes.
3	34	Juvenile and Domestic Relations District Courts	Case processing and filing fees	Language	Language	This amendment changes the judicial fee increases included in the adopted budget to correctly interact with the provisions of Senate Bill 150, which made substantial changes in judicial fees. With this amendment, the fiscal impact of the budget language remains as it was in the adopted budget. Amendments 2 and 4 make related changes.
4	35	Combined District Courts	Case processing and filing fees	Language	Language	This amendment changes the judicial fee increases included in the adopted budget to correctly interact with the provisions of Senate Bill 150, which made substantial changes in judicial fees. With this amendment, the fiscal impact of the budget language remains as it was in the adopted budget. Amendments 2 and 3 make related changes.
5	63	Compensation Board	Inmate trust funds	Language	Language	This amendment clarifies the responsibility of localities for audits of inmate trust funds. Also changes the reporting requirements for jail canteen and other auxiliary funds to specify which funds are to be included in the report.
6	64	Compensation Board	1:1,500 deputy ratio	Language	Language	This amendment provides that the Compensation Board shall use provisional population estimates in allocating the 1:1,500 deputies positions. Provisional estimates are more up to date, allowing 29 deputy positions that were funded in the budget to be distributed to localities.

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#	Item	Agency	Short title	FY 2003	FY 2004	Rationale/comments/explanation
7	66	Compensation Board	Supplement the salary of local circuit court clerks	Language	Language	This amendment provides the authority for local governments to supplement the salary of local circuit court clerks.
8	76	General Services	Provide appropriation for E-procurement payments to contractor and agency	\$7,061,269 NGF	\$900,000 NGF	This amendment provides the Department of General Services (DGS) with a \$7.1 million nongeneral fund appropriation the first year and \$0.9 million nongeneral fund appropriation the second year in order to pay the vendor selected to develop and implement the statewide electronic procurement system and to support the agency's costs for administering that system. Revenues collected from transaction charges assessed against state agencies using the system would support the FY 2003 appropriation. In FY 2004, the system will be financed through vendor fees.
9	76	General Services	Increase treasury loan authorization for E-procurement	Language	Language	This amendment increases from \$3.0 million to \$8.0 million the amount of the treasury loan the provided to DGS for the development and implementation of a statewide electronic procurement system. Language also modifies the repayment date.
10	108	Business Assistance	Workforce services	Language	Language	The budget included language requiring the Department of Business Assistance to either prorate workforce services grants or transfer funds from the Governor's Development Opportunity Fund if total awards are greater than the appropriation provided. The proposed amendment replaces "each business receives" with "businesses receive" to provide the agency with more flexibility with respect to potentially prorating the amount of reimbursement businesses receive under the agency's workforce services program.

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#	Item	Agency	Short title	FY 2003	FY 2004	Rationale/comments/explanation
11	129	Virginia Economic Development Partnership	Provide funding for Virginia Commercial Space Flight Authority	\$100,000	\$100,000	This amendment provides an appropriation of \$100,000 in each year to the Virginia Commercial Space Flight Authority. The Authority operates the Virginia Space Flight Center, which offers a "one stop shopping" place for low-cost, safe and reliable space launch facilities and services for commercial, government, and scientific/academic users, both foreign and domestic. The National Aeronautics and Space Administration has recently agreed to spend \$2.0 million to build a new payload processing facility on Wallops Island.
12	130	Virginia Employment Commission	Provide authority to use Reed Act funds for other programs	Language	Language	This amendment provides an appropriation of the federal Reed Act funds credited to the unemployment trust fund (\$215 million NGF) as a result of the federal Job Creation and Worker Assistance Act of 2002. The funding will be used to restore expected spending levels in the Unemployment Insurance and Job Service programs. This funding restores prior cuts in federal funds for the program. Currently, the agency has sufficient appropriation but needs language to authorize use of the funds.
13	138	Education	Restore funding for two Best Practices Centers	\$585,622	\$718,519	This amendment provides funding to restore two of the original eight Best Practice Centers, to address the concerns of school divisions that have indicated that these centers provide assistance and support in implementing the Standards of Learning instructional program. One of the centers will serve Southwest Virginia and the other Southside Virginia. The funding provides for three positions per center (Director and specialists in Curriculum & Instruction and Assessment & Accreditation).

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#	Item	Agency	Short title	FY 2003	FY 2004	Rationale/comments/explanation
14	138	Education	Prepare plan to consolidate services for students served at the two state schools for the deaf and the blind	Language	Language	This amendment provides for the Board of Education and the Superintendent of Public Instruction to develop a plan for consolidating services for the deaf, blind, and multi-handicapped students served at Staunton and Hampton, based on an objective review of the fiscal and programmatic requirements of the schools and students. The adopted budget requires a plan for the closure of the Hampton school. This amendment allows the study results to determine which school should be recommended for closure.
15	142	Education	Fully fund bonuses for National Board of Professional Teaching Standards certifications	\$0	\$645,000	This amendment provides \$645,000 in FY 2004 to fully support teacher national certification bonuses. In fiscal year 2004, the Department of Education has projected that 275 teachers will eligible for the continuation grant of \$2,500 with 198 new eligible teachers for the \$5,000 grant.
16	147	Direct Aid to Public Education	Restore funding for at-risk program	\$3,157,068	\$0	This amendment restores \$3,157,068 in general fund support for the At-Risk program the first year of the biennium. The adopted budget reduced funding for this program, which provides support to school divisions with high concentrations of disadvantaged students.
17	152	Direct Aid to Public Education	Fund Jobs for Virginia Graduates program	\$325,000	\$0	This amendment restores \$325,000 in general fund support in FY 2003 for Jobs for Virginia Graduates, which serves about 1,100 high school students. The program targets high school seniors most at-risk of dropping out of school and helps them successfully graduate and transition from school to work, college, or the military.
18	152	Direct Aid to Public Education	Provide Funding for An Achievable Dream	\$125,000	\$0	This amendment adds \$125,000 for An Achievable Dream, which targets at-risk students by providing enhanced educational opportunities to at-risk students.

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				FY 2003	FY 2004	
19	152	Direct Aid to Public Education	Provide additional funding for Career Education Foundation	\$79,774	\$0	This amendment provides an additional \$79,774 to the Virginia Career Education Foundation. This center is a not-for-profit organization to promote career, technical and vocational education in Virginia's public schools. The foundation will use this seed money to leverage private funding, as well as funding from other major foundations.
20	227	Virginia Commonwealth University	Restore funding for Research and Public Service Center	\$110,500	\$0	The budget removed \$110,500 each year in general fund support for the Center for Public Policy at Virginia Commonwealth University, although this center does not receive any general fund support. This amendment restores the funding to Virginia Commonwealth University.
21	244	Virginia Polytechnic Institute and State University	Restore funding for Research and Public Service Center	\$30,000	\$0	The budget removed \$30,000 each year from the Center for Applied Math at Virginia Tech, although this center does not receive any general fund support. This amendment restores the funding to Virginia Polytechnic Institute and State University.
22	253	Virginia State University Cooperative Extension and Agricultural Research Services	Increase state match for federal cooperative extension funding	\$200,000	\$400,000	This amendment provides \$200,000 and two positions from the general fund in FY 2003 and \$400,000 and an additional two positions from the general fund in FY 2004 in state matching funds for the 1890 Land Grant at Virginia State University's Cooperative Extension. The restoration will allow the Commonwealth to make progress towards the goal of matching the federal grant at 100 percent as anticipated by the federal Office for Civil Rights. These amounts will result in a state match of 84 percent by FY 2004.

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#	Item	Agency	Short title	FY 2003	FY 2004	Rationale/comments/explanation
23	285	Taxation	Modify car tax qualification certification and transfer responsibility for the Personal Property Tax Relief Act from the Department of Motor Vehicles to Taxation	Language	Language	<p>This amendment, which was developed in consultation with local officials, alters the car tax audit and compliance program included in the adopted budget by allowing local governments alternative ways to ensure that only personal vehicles receive the car tax rebate.</p> <p>Under this amendment, localities could obtain certification either by requiring that an assessment notice be returned, by using the local decal process to obtain a certification, by getting certification when the personal property taxes are paid, or through the vehicle registration process. The original language required a separate certification program.</p> <p>In addition, the amendment provides that day-to-day administration of the Personal Property Tax Relief Act will remain with the Department of Motor Vehicles.</p>
24	290	Treasury	Increase appropriation for banking fees, to free up additional investable balances	\$1,068,284	\$1,068,284	<p>This amendment provides an appropriation of \$1.0 million from the general fund for the payment of bank service fees, which frees up cash balances that can then be invested to increase interest income for the general fund. The net gain is \$1,300,000 a year. Costs for this action includes one additional position (\$68,284) to closely monitor account balances.</p>
25	298	Secretary of Health and Human Resources	Require the state teaching hospitals to report on their operational efficiencies	Language	Language	<p>This amendment adds language requiring the two academic health centers to work with the Secretaries of Health and Human Resources and Education in reporting on the operational efficiencies of their medical facilities.</p>
26	299	Comprehensive Services for At-Risk Youth and Families	Clarify use of funding for non-custodial foster care agreements	Language	Language	<p>This amendment clarifies and provides guidance for localities on the use of funding under the Comprehensive Services Act. The guidance will ensure that cases arising from court involvement are properly evaluated for treatment when considered for services under the Comprehensive Services Act.</p>

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#	Item	Agency	Short title	FY 2003	FY 2004	Rationale/comments/explanation
27	301	Aging	Restore 10 percent of general fund dollars for Pharmacy Connect	\$37,100	\$37,100	This amendment restores funding to Pharmacy Connect to the level being provided in the current biennium. This program assists vulnerable poor individuals in obtaining low cost or free medications.
28	325	Medical Assistance Services	Modify mental health and mental retardation case management rate language	Language	Language	This amendment alters the language related to case management payments in order to satisfy requirements of the federal Centers for Medicare and Medicaid Services regarding how states set reimbursement rates for all providers.
29	392	Game and Inland Fisheries	Provide emergency authority to issue regulations to increase boat registration fees	Language	Language	The adopted budget provided the agency with the authority and appropriation to increase boat registration fees. However, the length of the Administrative Process Act process will prevent the agency from increasing the fee until the last few months of FY 2004. This amendment allows the Department of Game and Inland Fisheries to issue emergency regulations to increase the boat registration fee more promptly.
30	432	Criminal Justice Services	Restore funding for Drug Courts	\$2,080,000	\$0	This amendment provides general fund support in the first year to restore the majority of funds for the Drug Court program. It attempts to maintain the viability of this program while allowing time for localities to explore other funding sources.
31	432	Criminal Justice Services	Restore funding for Project Exile	\$892,000	\$0	This amendment provides general fund support in the first year to restore the majority of the funds for Project Exile. It attempts to maintain the viability of this program while allowing time for localities to explore other funding sources.

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#	Item	Agency	Short title	FY 2003	FY 2004	Rationale/comments/explanation
32	432	Criminal Justice Services	Limitation on administrative expenses	Language	Language	This amendment removes the limitation on the agency's authority to expend only \$750,000 per year for administrative expenses for the Comprehensive Community Corrections Act (CCCA) and Pretrial Services Act (PSA) programs and places a limit of five percent for those expenses. This change allows the agency to minimize overall administrative expenses for these programs by continuing to purchase certain administrative services (e.g. insurance) centrally. The effect of this amendment is to reduce administrative costs overall, by consolidating the costs of several programs into one program.
33	432	Criminal Justice Services	Restore PAPIS funding	\$1,753,095	\$0	This amendment provides general fund support in the first year to restore the majority of the funds for Pre-release and Post-incarceration Services (PAPIS). This amendment attempts to maintain the viability of these services, while allowing time for these programs to explore other funding sources.
34	432	Criminal Justice Services	Retain Violence Against Women program in Criminal Justice Services	\$3,000,000 NGF	\$3,000,000 NGF	This amendment provides a nongeneral fund appropriation for DCJS, and specifies that the appropriation is to support the programs associated with the Violence Against Women Act. This retains the program within the responsibility of the agency, rather than transferring it to the Office of the Attorney General.
35	N/A	Criminal Justice Services	Restore nongeneral fund position	Position Only	Position Only	This amendment restores one nongeneral fund position to continue administration of federal "violence against women" funding.
36	448	Juvenile Justice	Modify Culpeper Juvenile Correctional Center language	Language	Language	This amendment deletes language directing the agency to pay Culpeper County for the costs of beds in juvenile detention centers due to the closing of the Culpeper Juvenile Correctional Center and Detention Center. The department has developed a plan that will keep the facility operating at a reduced capacity while providing for the 14-bed detention space promised to Culpeper County.

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#	Item	Agency	Short title	FY 2003	FY 2004	Rationale/comments/explanation
37	453	Military Affairs	Provide additional relocation funding	Language	Language	This amendment increases the payment required by the City of Virginia Beach in exchange for leasing some property from the Department of Military Affairs at Camp Pendleton. The General Assembly provided for the payment of \$1,000,000 by the city to cover the costs of relocating some buildings on the property. A more recent estimate has placed the actual cost of the relocations at \$1,400,000.
38	459	State Police	Use of federal highway funds to support new state troopers	Language	Language	This amendment specifies the use of nongeneral (highway safety) funds appropriated in the adopted budget for the Department of State Police, and makes it clear that such use is contingent upon approval by the federal agency responsible for the granting and administration of the funds.
39	468	Technology Planning	Enhance information technology oversight	\$1,296,934	\$1,296,934	This amendment restores some of the staff positions eliminated in the adopted budget to support the Secretary of Technology in his role as the Chief Information Officer. Funding will enable the Department of Technology Planning to support the Secretary of Technology's oversight of the efficient and effective use of the state's technology assets.
40	472	Secretary of Transportation	General Assembly reporting requirements	Language	Language	The General Assembly placed several additional reporting requirements on the Secretary of Transportation. This amendment modifies the reporting language, and requires information to be shown for a six-year period, instead of a one-year period.

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41	488	Transportation	Restrictive language on increased appropriations for administrative functions	Language	Language	<p>This amendment removes language that would have prevented the Virginia Department of Transportation (VDOT) from showing administrative cost increases in the six-year plan. The language would have prevented showing funding increases in the plan for costs such as legislatively appropriated salary increases or other non-discretionary costs. The result would have been a mismatch between planned and actual funding available for highway maintenance and construction.</p> <p>This amendment modifies the language to give Commonwealth Transportation Board authority to increase administrative costs when it will enhance effective management of VDOT, provided that such increases are fully itemized and documented.</p>
42	491	Transportation	Transfer funding from second to first year	\$106,526,700	(\$106,526,700)	This amendment shifts \$106.5 million in general fund appropriations for transportation from FY 2004 to FY 2003 to better balance expenditures with revenues in each year of the biennium.
43	491	Transportation	Supplants general fund for nongeneral funds	(13,055,000) 13,055,000 NGF	\$0	<p>This amendment supplants \$13.1 million of general fund support for the Route 58 Corridor Development Fund in the first year with an equal amount of nongeneral funds. The nongeneral funds represent freed up transportation funds anticipated from the bonding of Department of Transportation capital projects.</p> <p>With this amendment, the Route 58 Corridor Development program will receive the full \$40 million per year called for in the adopted budget.</p>
44	491	Transportation (Virginia Port Authority)	Allows FRANs to be used for port projects	Language	Language	<p>The adopted budget removed all general fund support for Rail and Public Transportation (DRPT) and Ports, and provided offsetting FRAN support for DRPT, but not for Ports.</p> <p>This amendment allows the Port Authority to use FRANs to supplant the general fund amounts not yet spent.</p>

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45	503	Central Appropriations	Create reversion clearing account to collect general fund E-procurement charges	(\$2,611,488)	\$0	This amendment creates a reversion clearing account for FY 2003 in order to collect transaction fees derived from general fund or mixed fund agencies' use of the statewide electronic procurement system. The total collections equal about \$3.5 million the first year. In FY 2004, the system will be financed through vendor fees.
46	503	Central Appropriations	Revise additional retirement savings due to unclaimed property	\$22,033,374 (\$22,033,374) NGF	\$0	This amendment reduces the general fund savings for Virginia Retirement System (VRS) dormant accounts. The amendment spreads between general and nongeneral fund sources the savings amounts resulting from dormant accounts. A related amendment to §3-1.01 increases the amounts to be transferred from nongeneral fund agencies so that net general and nongeneral fund savings will be the same as contained in the adopted budget.
47	503	Central Appropriations	Eliminate at-will positions	Language	Language	<p>The adopted budget limits the number of at-will employees at each agency to a single chief deputy and eliminated the general fund dollars for all at-will positions, instead of the two positions specified in the Code. In addition, the budget imposes requirements that the Governor provide to the General Assembly a written job descriptions for each remaining at-will position, and a subsequent written justification for anyone hired in an at-will position.</p> <p>This amendment deletes the language included by the General Assembly and adds language requiring the Governor to submit to the General Assembly an annual report on at-will positions.</p>

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48	504.10	Central Appropriations	Governor's Commission on Efficiency and Effectiveness	Language	NA	<p>The adopted budget:</p> <ul style="list-style-type: none"> • Eliminated the Department of the State Internal Auditor (\$1.6 million) and transferred certain training functions to the Department of Accounts (added \$0.2 million) • Merged the Virginia Tourism Authority (\$1.2 million) and the Virginia Economic Development Partnership, • Merged the Department of Business Assistance (\$0.4 million) with a yet-to-be-determined agency and proposed the transfer of the workforce services program to the Virginia Economic Development Partnership, and • Merged the Chesapeake Bay Local Assistance Department (\$2.0 million) with the Department of Conservation and Recreation. <p>This amendment reverses these actions in the first year, and increases the anticipated savings from the efforts of the Commission by a corresponding amount. To ensure uninterrupted service and continued operation of agencies directly impacted in the first year, language is added that creates an appropriation for the Internal Auditor and transfers funds to the Chesapeake Bay Local Assistance Department to carry out the statutory functions.</p>

Summary of Governor's Amendments to HB 30, As Adopted

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#	Item	Agency	Short title	FY 2003	FY 2004	Rationale/comments/explanation
49	511	Central Appropriations	Modify FY 2003 employee bonus	Language	NA	<p>The adopted budget provides a 2.5 percent one-time bonus payment to all state employees in FY 2003. This amendment includes several provisions that make the bonus more attractive:</p> <ul style="list-style-type: none"> • Moves the award date to August 30 instead of December 1. There is no cost associated with doing this. • Provides for the bonus to be paid as part of the employees' regular pay, reducing the tax withholding impact on most employees. • Extends the bonus to all salaried employees. • Requires that classified employees be rated at least a contributor to receive the bonus or compensatory time. • Allows faculty to receive bonuses averaging 2.5 percent based on performance. • Gives independent agencies the flexibility to apply the one-time bonus money to their pay plans.
50	511	Central Appropriations	Quarterly payments to the Virginia Retirement System	Language	Language	<p>This amendment adds the Virginia Sickness and Disability Program and the retiree healthcare credit to the list of programs for which the Virginia Retirement System will receive quarterly payments from state agencies and institutions of higher education. A related amendment to Item 527 (Virginia Retirement System) modifies similar language for the same purpose.</p>
51	512	Central Appropriations	Increase economic contingency funding and student financial assistance	\$5,000,000	\$0	<p>This amendment provides funding for FY 2003 to address unanticipated and emergency situations. The enrolled bill contains no funding for economic contingencies in the first year of the new biennium. This funding is critical given the agency budget reductions in FY 2003.</p> <p>Of the total, \$2.0 million is designated for financial assistance at state colleges and universities for Virginia resident undergraduate students. The additional funding is needed to help cushion increases at higher education institutions for those students with the greatest financial needs.</p>

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#	Item	Agency	Short title	FY 2003	FY 2004	Rationale/comments/explanation
52	512	Central Appropriations	Commonwealth Technology Research Fund	\$800,000	\$1,500,000	The adopted budget reduced research funding by \$2.75 million, which would require a reduction in some research grants already awarded to state colleges. This would cause universities to reduce research commitments already made, potentially jeopardizing the positions of new research faculty and staff recruited under these awards. This amendment provides sufficient funding to support existing grants through FY 2004.
53	512	Central Appropriations	Governor's Development Opportunity Fund	\$1,850,000 NGF	\$1,600,000 NGF	The adopted budget reduced the Governor's Development Opportunity Fund by \$2.5 million in FY 2004, leaving \$17.5 million in the budget for the 2002-04 biennium. This amendment provides a NGF appropriation of \$1.85 million in FY 2003 and \$1.6 million in FY 2004 (representing prior year interest earnings), to allow a minimum level of funding for the Fund.
54	527	Virginia Retirement System	Provide administrative costs for faculty optional retirement plans and deferred compensation	Language	Language	This amendment modifies language to allow the Board of Trustees of the Virginia Retirement System to adjust contribution rates in order to recover the cost of administering the deferred compensation program, the optional retirement program, and other defined contribution programs, as required by federal law.
55	527	Virginia Retirement System	Quarterly payments to the Virginia Retirement System	Language	Language	This amendment adds the Virginia Sickness and Disability Program and the retiree healthcare credit to the list of programs for which the Virginia Retirement System will receive quarterly payments from state agencies and institutions of higher education. A related amendment to Item 511 (Central Appropriations) modifies similar language for the same purpose.

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56	§2-0	General Conditions	Reversion of capital project balances	(\$4,076,105)	\$0	This amendment captures excess general fund appropriations in several capital projects in institutions of higher education resulting from the award of construction contracts below appropriation levels and substitution of bond proceeds for general fund support in the adopted budget. The amendment also reverts nongeneral funds previously appropriated for a capital project in the Department of Corrections to the general fund. Two related amendments provide funding for the Department of Corrections and Virginia Community College System projects.
57	C-20.10	George Mason University	George Mason University – Student Housing VI project	Language	Language	This amendment provides the university with the ability to utilize a Treasury Loan to provide interim financing for this project.
58	C-67.20	Virginia Community College System	Supplant funding for New Academic Building, Virginia Beach Campus, Tidewater Community College	\$509,605 NGF	\$0	This amendment utilizes excess bond proceeds of the Virginia Public Building Authority to supplant general fund support provided in a previous budget for the Virginia Beach Academic Building project at Tidewater Community College.
59	C-81.20	Virginia Polytechnic Institute and State University	New Fisheries and Aquatics Research Center	\$800,000 NGF	\$0	This amendment provides a nongeneral fund appropriation to Virginia Tech, so that the institution may draw down an \$800,000 federal grant from the U.S. Forest Service for a new fisheries research center. The funds must be transferred to the university prior to the end of the federal fiscal year (September 30, 2002).
60	C-82	Virginia State University	Bond financing for Ettrick Student apartments project	Language	Language	This amendment makes a technical change in language related to a student housing project at Virginia State. Bond counsel and the Attorney General's Office recommend the change.
61	C-83	Virginia State University	Restore maintenance reserve funding	\$1,000,000	\$0	This amendment restores \$1.0 million in maintenance reserve funding for Virginia State University (VSU), in order to address the provisions of Virginia's accord with the federal Office for Civil Rights.

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#	Item	Agency	Short title	FY 2003	FY 2004	Rationale/comments/explanation
62	C-108.10	Conservation and Recreation	Purchase new state park in Stafford County	Language	Language	This amendment authorizes the department to acquire a 1,100-acre parcel along the Potomac River in Stafford County, which is suitable for use as a state park. While this property will likely be purchased for use as a state park through bond proceeds, this amendment will provide the department with flexibility to use other nongeneral fund sources that may become available.
63	C-125.10	Military Affairs	Relocate facilities at Camp Pendleton	\$0	\$400,000	The budget included language allowing the leasing of 14.4 acres of land at Camp Pendleton, Virginia Beach, to the City of Virginia Beach to provide a parking area for the Marine Science Museum. The city is to pay \$1 million to Military Affairs to relocate buildings at the site. The expected cost to relocate the buildings is \$1.4 million. This amendment modifies the language, requiring Virginia Beach to pay \$1.4 million to cover the estimated full expense of this action.
64	C-126.10	Corrections	Provide revenue from the issuance of bonds	\$2,236,500 NGF	\$0	This amendment provides revenue from the issuance of bonds by the Virginia Public Building Authority for a capital project in the Department of Corrections. A related amendment transfers previously appropriated nongeneral funds to the general fund.
65	C-135	Transportation	Replace nongeneral fund revenue with bond proceeds for a VDOT capital project	\$0	\$0	This amendment substitutes \$6.7 million in bond proceeds through 9(d) bonds to be issued by the Virginia Public Building Authority for the nongeneral fund support included in the adopted budget for a VDOT capital project, freeing up an equal amount of nongeneral funds revenue.
66	C-143	Transportation	Replace nongeneral fund revenue with bond proceeds for a VDOT capital project	\$0	\$0	This amendment substitutes \$6.3 million in bond proceeds through 9(d) bonds to be issued by the Virginia Public Building Authority for the nongeneral fund support included in the adopted budget for a VDOT capital project, freeing up an equal amount of nongeneral fund revenue.

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				FY 2003	FY 2004	
67	C-148	Port Authority	Land acquisition project cost increase	\$250,000 NGF	\$0	This amendment provides a nongeneral fund project supplement to a land acquisition project at the Port Authority that will cost \$250,000 more than the \$3.0 million originally anticipated.
68	C-150	Central Capital Outlay	Excess interest for necessary repairs and improvements	(\$579,167) \$579,167 NGF	\$0	This amendment reduces the general fund appropriation provided for central repairs and improvements and replaces the reduced amount with excess interest earnings from the Virginia Public Building Authority. The net result is that the same total amount will be available for emergency repairs at state agencies and institutions of higher education.
69	C-154	Central Capital Outlay	Modify language for Virginia Commonwealth University's academic campus housing II and parking project	Language	Language	This amendment provides language allowing Virginia Commonwealth University to finance the Academic Campus Housing II and Parking project by issuing bonds through either the university's Real Estate Foundation or the Virginia College Building Authority's pooled bond program.
70	C-154	Central Capital Outlay	Provide 9(D) bond authorization for several Virginia Public Building Authority projects	Language	Language	This amendment authorizes \$15.3 million in Virginia Public Building Authority bonds to be issued for a Department of Corrections capital project and several Department of Transportation capital projects.
71	3-1.01	Transfers	Transfer cash balance and strike duplicate language relating to the Department of Taxation's Technology Partnership Fund	Language	Language	<p>The adopted budget transfers to the general fund \$3.7 million from the Department of Taxation's Technology Partnership Fund. This funding is needed to pay contractually obligated payments to American Management Services (AMS), the loss of which could result in legal action by AMS.</p> <p>This amendment reduces general fund revenue by \$1.5 million in FY 2004, in order to restore the funding to TAX, and adds language that it is the intent of the General Assembly to meet contractual agreements.</p> <p>A technical amendment also strikes duplicate language transferring \$3.7 million from the Department of Taxation's Technology Partnership Fund to the general fund.</p>

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#	Item	Agency	Short title	FY 2003	FY 2004	Rationale/comments/explanation
72	3-1.01	Transfers	Family Access to Medical Insurance Security (FAMIS) Plan Trust Fund	Language	Language	This amendment removes the requirement for allocating interest earnings to the FAMIS Plan Trust Fund. It simplifies the accounting for the Fund by requiring that any interest earned on balances in the Fund remains in the general fund to pay for necessary expenses. This action also results in an increase of interest earnings for the general fund estimated at \$775,000 per year.
73	3-1.01	Transfers	Revise additional retirement savings due to unclaimed property	Language	Language	This amendment increases the nongeneral fund savings for Virginia Retirement System (VRS) dormant accounts, in order to allocate between general and nongeneral fund agencies the savings included in the adopted budget for dormant VRS accounts. The net savings (general fund plus nongeneral fund) remain the same.
74	3-1.01	Transfers	Transfer funds from the State Police	Language	Language	This amendment authorizes the transfer of end-of-year balances of \$1,191,948 to the general fund. These funds are not needed to operate the program. The program has sufficient general and nongeneral fund revenue support to cover any and all expenses associated with the program.
75	3-1.01	Transfers	Virginia Alcohol Safety Action Program (VASAP)	Language	Language	This amendment alters the transfer of VASAP balances included in the adopted budget in order to provide sufficient cash to the Commission on Virginia Alcohol Safety Action Program to meet its planned expenditures during the course of the biennium.
76	3-1.01	Transfers	Eliminate funding for nongeneral fund at-will positions	Language	Language	This amendment strikes the transfer to the general fund of \$832,000 each year associated with the elimination of some at-will employees supported with nongeneral funds. A related amendment to Item 503 requires an annual report on the use of at-will employees authorized under the Code.
77	3-1.01	Transfers	Insert language authorizing the transfer of nongeneral fund E-procurement charges	Language	Language	This amendment would insert language within Part 3 of the Appropriation Act authorizing the State Comptroller to capture the nongeneral fund share of agencies' e-procurement transaction charges.

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78	3-2.03	Lines of Credit	Re-establish line of credit for state Workers' Compensation program	Language	Language	This amendment provides a \$10.0 million line of credit to the Department of Human Resource Management for the Workers' Compensation Self Insurance Trust Fund. The trust fund, which is supported by the workers' compensation insurance premiums paid by state agencies and institutions, provides workers' compensation benefits to injured state employees. A similar line of credit exists for this program in Chapter 1073, 2000 Acts of Assembly, and enrolled House Bill 29
79	3-5.01	Transfers	Accelerated Sales and Use Tax technical language change	Language	Language	This amendment moves to the proper place in the section the phrase that defines which sales tax receipts are included as general fund revenues.
80	3-5.02	Transfers	Retail sales and use tax exemption for Internet service providers	Language	\$0	This amendment defers for one year the reduced sales tax exemption that was provided for Internet service providers in the adopted budget. This change reduces general fund revenue by \$260,000 in FY 2003.
81	3-5.06	Interest Earnings	Deferral of interest earnings	Language	Language	This amendment strikes the provision for deferral of interest earnings. The enrolled budget allowed for the deferral of interest earnings on certain nongeneral fund accounts until after the close of fiscal year 2003, as a means of preserving cash in the general fund. An analysis of the enrolled bill indicates that there is more than adequate cash balance in the general fund at the end of the first year of the biennium. Accordingly, the provision to defer nongeneral fund interest earnings is not needed.
82	4-2.02	General Provisions	Exempting State Police tower lease revenue from general fund	Language	Language	This amendment conforms language in the adopted budget to the provisions of Chapter 477, which was enacted in the 2002 Session, authorizing the State Police to retain revenues generated from leases associated with its radio towers.

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83	4-5.06	General Provisions	Allow exemptions to requirement to conduct "Total Cost of Ownership" studies	Language	Language	<p>The adopted budget exempts the Virginia Community College System from the requirement to conduct "Total Cost of Ownership" studies prior to making purchases of desktop computers.</p> <p>This amendment allows the Secretary of Technology to exempt agencies and institutions of higher education from the requirement to conduct "Total Cost of Ownership" studies prior to making purchases of desktop computers.</p>